

## Message Text

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INFO OCT-01 EUR-12 ISO-00 IO-10 CPR-01 CIAE-00 DODE-00

PM-03 H-01 INR-07 L-02 NSAE-00 NSC-05 PA-01 PRS-01

SP-02 SS-15 USIA-06 AID-05 COME-00 EB-07 FRB-03

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FM SECSTATE WASHDC

TO AMEMBASSY BANGUI PRIORITY

INFO AMEMBASSY PARIS PRIORITY

C O N F I D E N T I A L STATE 040041

E.O. 11652: GDS

TAGS: BBAK,EGEN,PFOR,CT

SUBJECT: GOCAR DELEGATION IN WASHINGTON FOR NEGOTIATIONS

WITH J.C. SPELLMAN

REFS: (A) STATE 33033; (B) BANGUI A-103, NOVEMBER 25, 1974;  
(C) USDOC 17405 .

1. GOCAR MINISTERS OF FINANCE AND CIVIL AVIATION, KOYAMBA  
AND OTINA, ARRIVED WASHINGTON FEB. 18 TO FINALIZE  
DOLLARS 21 MILLION BUSINESS DEAL WITH J.C. SPELLMAN OF  
FIRST PRIVATE INVESTMENT CORP. (FIPCO). DELEGATION  
ALSO INCLUDES DIRECTOR OF CENTRAL AFRICAN BANK,PEHOUA  
AND SEC GEN FOR FINANCE,DOBOZENDI. JUST PRIOR TO ARRIVAL  
OF DELEGATION SPELLMAN HAD SUGGESTED THAT CHARGE ATTEMPT  
TO TEMPORARILY POSTPONE VISIT BUT LATTER HAD REFUSED  
MAINLY BECAUSE MEMBERS HAD ALREADY DEPARTED BANGUI.  
AT SAME TIME CAR CHARGE NGUINDO EXPRESSED TO COUNTRY  
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OFFICER FEAR THAT SPELLMAN HAVING UNANTICIPATED LAST-MINUTE DIFFICULTY SECURING PROMISED FUNDING AND THAT DELEGATION WOULD BE PERTURBED WITH ANY UNEXPECTED DELAY.

2. SPELLMAN CONFIRMED TO COUNTRY OFFICER ON FEB. 16 THAT HE NOT CERTAIN MONEY COULD BE OBTAINED. HE REFUSED TO IDENTIFY SOURCE OF FUNDS WHICH HE CLAIMS BEING ARRANGED THROUGH THIRD PARTY. NGUINDO SAYS THAT PRESIDENT BOKASSA COUNTING ON SPELLMAN FUNDS WHICH ARE TO BE USED FOR

1) CONSTRUCTION OF FOUR-HUNDRED HOUSING UNITS IN BANGUI;  
2) OBTAINING CARGO AIRCRAFT; AND 3) SETTING UP OF CEMENT PLANT IN CAR.

3. AT KOYAMBA'S REQUEST, COUNTRY OFFICER MET WITH DELEGATION AFTERNOON FEBRUARY 19. KOYAMBA EXPRESSED SUSPICION OF SPELLMAN AND REQUESTED INFO RE FIPCO FINANCES AND REPUTATION. COUNTRY OFFICER TOLD DELEGATION THAT DEPARTMENT USUALLY DOES NOT RPT NOT BECOME INVOLVED IN NORMAL BUSINESS NEGOTIATIONS BETWEEN PRIVATE AMERICAN FIRMS AND FOREIGN GOVERNMENTS. HOWEVER, ON BASIS CONVERSATIONS WITH COMMERCE AND AVAILABLE INFO (REFTEL C), COUNTRY OFFICER TOLD KOYAMBA THAT DEPARTMENT UNABLE VERIFY WHETHER SPELLMAN HAD ACCESS TO SUBSTANTIAL SUM HE HAD PROMISED GOCAR. MEANWHILE, SPELLMAN'S CLAIMS AS TO THE AVAILABILITY OF THE FUNDS ALTERNATED, DEPENDING UPON WHOM HE WAS SPEAKING WITH.

4. ON AFTERNOON FEBRUARY 20 DELEGATION HAD UNPLEASANT SESSION WITH SPELLMAN AT HIS OFFICE. KOYAMBA ACCUSED SPELLMAN OF DECEIT AND STORMED OUT. FOLLOWING MORNING KOYAMBA, PEHOUA AND DOBOZENDI LEFT WASHINGTON FOR NEW YORK AND PARIS. OTINA REMAINING BEHIND IN HOPES OF OBTAINING FUNDS FROM PRIVATE SOURCE WITHOUT SPELLMAN AS INTERMEDIARY. OTINA ALSO CONFIRMED THAT HE SHOPPING FOR AIRCRAFT.

5. COMMENT: GOCAR-SPELLMAN NEGOTIATIONS HAVE BEEN GOING ON OVER PAST SEVERAL MONTHS. IT APPEARS THAT SPELLMAN WENT TOO FAR IN ASSURING GOCAR OF AVAILABILITY OF FUNDING AND INVITING DELEGATION TO WASHINGTON BEFORE HE ABSOLUTELY CERTAIN OF HIS OWN ABILITY TO DELIVER. THERE ALSO EXISTS CONFIDENTIAL

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POSSIBILITY THAT SPELLMAN ATTEMPTED TO DECEIVE DELEGATION IN ORDER TO ENHANCE HIS PROFITS, POSSIBLY BY OBTAINING MONEY IN HIS OWN NAME AND NEGOTIATING NEW LOAN AGREEMENT WITH GOCAR AT HIGHER INTEREST RATES. ALTHOUGH DETAILS NOT YET CLEAR, KOYAMBA BELIEVES THAT TO BE THE CASE. IN LIGHT OF RATHER HAZY AND UNIMPRESSIVE FIPCO CREDIT/ FINANCIAL INFORMATION FURNISHED BY COMMERCE FOR EMBASSY

AT GOCAR REQUEST (REFTEL C), IT SOMEWHAT SURPRISING THAT GOCAR HAD GONE AHEAD WITH ITS DEALING WITH SPELLMAN. IN ANY EVENT, GIVEN GOCAR AND BOKASSA'S PAST RECORD OF FAILING TO SEPARATE ACTIVITIES OF USG FROM THOSE OF PRIVATE AMERICAN BUSINESSES, UNSUCCESSFUL CAR MISSION COULD LEAD TO MORE UNPLEASANT SITUATIONS OR THREATS BY BOKASSA ALONG LINES OF THOSE DESCRIBED IN AMBASSADOR-PYLE LETTER AND MEMCON OF JANUARY 31. ALSO, IN VIEW OF GOCAR UNSUBSTANTIATED CHARGES OF LAST YEAR THAT USG HAD BLOCKED A BUSINESS DEAL BETWEEN AN AMERICAN FIRM AND THE CAR, POSSIBILITY EXISTS THAT IF MISSION RETURNS EMPTY-

HANDED BOKASSA COULD ATTEMPT LAY BLAME ON USG AND VENT WRATH ON EMBASSY. MUCH WILL OBVIOUSLY DEPEND ON TENOR OF REPORT CONVEYED TO BOKASSA BY KOYAMBA WHO REPORTEDLY LEFT WASHINGTON HIGHLY PERTURBED.

6. WITHOUT SUPPLYING ANY DETAILS, DELEGATION ALSO CONFIRMED THEY (KOYAMBA AND DOBOZENDI) HAD INDEED BEEN IN SOUTH AFRICA AS REPORTED BY PRETORIA. KISSINGER

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NNN

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